

117TH CONGRESS  
2D SESSION

# S. 3745

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2022

Mr. ROUNDS (for himself, Mr. SCOTT of South Carolina, and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Taking Account of In-  
5       stitutions with Low Operation Risk Act of 2022” or the  
6       “TAILOR Act of 2022”.

1   **SEC. 2. TAILORING REGULATION TO BUSINESS MODEL AND**  
2                   **RISK.**

3       (a) DEFINITIONS.—In this section—

4                   (1) the term “Federal financial institutions reg-  
5                 ulatory agencies” means the Office of the Com-  
6                 ptroller of the Currency, the Board of Governors of  
7                 the Federal Reserve System, the Federal Deposit In-  
8                 surance Corporation, the National Credit Union Ad-  
9                 ministration, and the Bureau of Consumer Financial  
10               Protection; and

11                   (2) the term “regulatory action”—

12                   (A) means any proposed, interim, or final  
13                 rule or regulation; and

14                   (B) does not include any action taken by  
15                 a Federal financial institutions regulatory agen-  
16                 cy that is solely applicable to an individual in-  
17                 stitution, including an enforcement action or  
18                 order.

19       (b) CONSIDERATION AND TAILORING.—For any reg-  
20         ulatory action occurring after the date of enactment of  
21         this Act, each Federal financial institutions regulatory  
22         agency shall—

23                   (1) take into consideration the risk profile and  
24                 business models of each type of institution or class  
25                 of institutions subject to the regulatory action; and

8       (c) FACTORS TO CONSIDER.—In carrying out the re-  
9 quirements of subsection (b), each Federal financial insti-  
10 tutions regulatory agency shall consider—

24 (d) NOTICE OF PROPOSED AND FINAL RULE-  
25 MAKING.—Each Federal financial institutions regulatory

1 agency shall disclose and document in every notice of pro-  
2 posed rulemaking and in any final rulemaking for a regu-  
3 latory action how the agency has applied subsections (b)  
4 and (c).

5 (e) REPORTS TO CONGRESS.—

6 (1) INDIVIDUAL AGENCY REPORTS.—Not later  
7 than 1 year after the date of enactment of this Act  
8 and annually thereafter, each Federal financial insti-  
9 tutions regulatory agency shall submit to the Com-  
10 mittee on Financial Services of the House of Rep-  
11 resentatives and the Committee on Banking, Hous-  
12 ing, and Urban Affairs of the Senate a report on the  
13 specific actions taken to tailor the regulatory actions  
14 of the Federal financial institutions regulatory agen-  
15 cy pursuant to the requirements of this section.

16 (f) LIMITED LOOK-BACK APPLICATION.—

17 (1) IN GENERAL.—Each Federal financial insti-  
18 tutions regulatory agency shall—

19 (A) conduct a review of all regulations  
20 issued in final form pursuant to statutes en-  
21 acted during the period beginning on the date  
22 that is 7 years before the date of the introduc-  
23 tion of this Act in the Senate and ending on the  
24 date of the enactment of this Act; and

(B) apply the requirements of this section to such regulations.

3                             (2) REVISION.—Any regulation revised under  
4     paragraph (1) shall be revised not later than 3 years  
5     after the date of enactment of this Act.

6 SEC. 3. SHORT-FORM CALL REPORTS FOR ALL BANKS ELI-  
7 GIBLE FOR THE COMMUNITY BANK LEVER-  
8 AGE RATIO.

9        The appropriate Federal banking agencies, as defined  
10 in section 3 of the Federal Deposit Insurance Act (12  
11 U.S.C. 1813), shall adopt rules establishing a reduced re-  
12 porting requirement for all banks eligible for the commu-  
13 nity bank leverage ratio, as defined in section 201(a) of  
14 the Economic Growth, Regulatory Relief, and Consumer  
15 Protection Act (12 U.S.C. 5371 note), when making the  
16 first and third report of condition of a year as required  
17 by section 7(a) of the Federal Deposit Insurance Act (12  
18 U.S.C. 1817(a)).

19 SEC. 4. REPORT TO CONGRESS ON MODERNIZATION OF SU-  
20 PERVISION.

Not later than 18 months after the date of enactment of this Act, the appropriate Federal banking agencies, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), in consultation with State bank super- visors, shall examine and submit to the Committee on Fi-

1 nancial Services of the House of Representatives and the  
2 Committee on Banking, Housing, and Urban Affairs of  
3 the Senate a report on the modernization of bank super-  
4 vision, including the following factors:

5 (1) Changing bank business models.

6 (2) Examiner workforce and training.

7 (3) Structure of supervisory activities within  
8 banking agencies.

9 (4) Improving bank-supervisor communication  
10 and collaboration.

11 (5) Use of supervisory technology.

12 (6) Supervisory factors uniquely applicable to  
13 community banks.

14 (7) Changes in statutes necessary to achieve  
15 more effective supervision.

